



United States Senate
**Committee on Small Business
and Entrepreneurship**

Olympia J. Snowe, Chair

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**SNOWE MEETS WITH MAJORITY LEADER FRIST, PROPOSES
LEGISLATION TO HELP KATRINA VICTIMS**

(WASHINGTON, D.C.) – In a meeting this morning with Senate Majority Leader Bill Frist (R-TN) and other Senate Committee Chairs, U.S. Senator Olympia J. Snowe (R-Maine), Chair of the Senate Committee on Small Business and Entrepreneurship, announced legislation she will soon offer to help provide federal aid to the small businesses devastated by Hurricane Katrina.

“I commend Majority Leader Frist for spearheading the Senate’s effort to formulate a comprehensive approach to rebuilding in the wake of Hurricane Katrina,” said Snowe. “It will require the full resources of the United States to bring order and prosperity to the affected areas, and the Senate must take the lead in providing whatever assistance is necessary.”

Snowe proposed a variety of measures within the scope of the Senate Committee on Small Business and Entrepreneurship, including raising the maximum amount of Small Business Administration (SBA) disaster loans and designating hard-hit areas as HUBzones, which would expand opportunities for small businesses to win federal contracts. Snowe will pursue all possibilities of leveraging the authority of the Small Business Administration (SBA) to provide real relief to those who have been left without the means to restart their futures.

“Small businesses are engines of economic growth throughout the country, and they will be essential to the Gulf region’s recovery,” said Snowe. “We must act to give small businesses a fighting chance to survive the economic disaster caused by Hurricane Katrina, because helping small businesses get back to business as usual will provide the needed momentum to revive the economy of the entire region.”

Following are some of the proposals Snowe will include in legislation she plans to offer this week:

- Increase the Maximum Size of an SBA Disaster Loan to \$10 million per loan, and authorize the SBA Administrator to issue larger Disaster Loans on a case-by-case basis.
- Increase the Services Provided to Small Businesses by Small Business Development Centers (SBDCs) and SCORE Volunteers in the Damaged Areas.

- Defer Repayment of SBA Disaster Loans.
- Reduce the Interest Rate Paid for SBA Disaster Loans.
- Allow Businesses Throughout the United States to Apply for SBA Disaster Loans if the Businesses need the loan to cope with the increased cost of Oil or Gas, or are unable to obtain Oil or Gas.
- Defer or Excuse Repayment of Loans for Borrowers in the Damaged Areas that currently have Loans in the SBA's 7(a) Loan Program and its 504 Loan Program.
- Offer Business Loans with Lower Interest Rates in the SBA's 7(a) Loan Program and 504 Loan Program if the loans will be used to re-build the Damaged Areas.
- Designate the Damaged Region as a HUBZone.

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